

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2304 - HB 2418

February 12, 2018

SUMMARY OF BILL: Requires local courts to offer a person whose license has been suspended the opportunity to submit proof of the person's financial inability to pay fines, taxes, and court costs. Removes authorization from Department of Safety (DOS) to suspend, restrict, or revoke driver licenses upon proof of inability to pay such fines, taxes, and court costs. Requires DOS to waive the driver license fee for any person whose license was restricted, suspended or revoked prior to July 1, 2018, and may be reinstated as a result of this legislation.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Exceeds \$599,300/Department of Safety

Decrease Local Revenue – Exceeds \$10,000

Assumptions:

- According to DOS, there are currently 501,113 outstanding suspensions for failure to pay citations and 307,232 outstanding revocations for failure to satisfy criminal offenses.
- Based on the information provided by DOS, there is an average of \$2,456,056 collected from reinstatement fees annually from drivers whose license was originally suspended, restricted or revoked for unpaid citations or fines.
- It is reasonably assumed at least 20 percent of these drivers would no longer have their driver license suspended or revoked and would no longer pay reinstatement fees in order to obtain a driver license as a result of the proposed legislation.
- The recurring decrease in state revenue to DOS from lost reinstatement fees is estimated to exceed \$491,211 ($\$2,456,056 \times \text{minimum } 20\%$).
- In addition to reinstatement fees, DOS charges \$28 for a new driver license.
- According to the DOS, an average of 19,297 drivers reinstate their licenses annually. It is assumed that at least 20 percent of these, or a minimum of 3,859 drivers, will not need to reinstate their driver's licenses each year as a result of the proposed legislation.
- The recurring decrease in state revenue to DOS from reduced license fees is estimated to exceed \$108,052 ($\text{minimum } 3,859 \text{ drivers} \times \28 fee).
- The total recurring decrease in state revenue to DOS is estimated to exceed \$599,263 ($\$491,211 + \$108,052$).
- The current cost for DOS to print an identification card is \$1.99.

SB 2304 - HB 2418

- There will be a decrease in state expenditures associated with printing costs for drivers who otherwise would have had their license revoked and later are issued a new license under current law, but such drivers will not under the provisions of this legislation.
- The recurring decrease in state expenditures is estimated to be \$7,679 (3,859 drivers x \$1.99).
- This recurring decrease in state expenditures will be offset by drivers whose license is revoked, who would not have otherwise obtained a new license at any point in the future under current law, that will be able to obtain a new license under the provisions of this legislation. The number of such possible instances is unknown. However, any relative increase in state expenditures to issue these individuals new licenses is assumed to be sufficient for offsetting the decrease in expenditures estimated to \$7,679.
- The net impact to state expenditures related to card issuance costs is assumed to be not significant.
- Allowing certain persons the opportunity to submit proof of financial inability to pay fines, taxes, and court costs, and thus removing the possible consequence of a suspended, restricted, or revoked driver's licenses will incentivize some drivers to avoid paying fines, taxes, and court costs.
- The precise recurring decrease in local government revenue cannot be determined, but is reasonably estimated to exceed \$10,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/rbp